LABOUR MONTHLY

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WHO PAYS THE BILL?

The Editor

★

WHAT EUROPE?

Ivor Montagu

★

INCOMES & PRICES: WHAT NOW?

George Teesdale
President of ASSET

★

New Crisis in Africa—Idris Cox
Council Rents Crisis—Tom Vernon

MAY 1966

Two Shillings

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LABOUR MONTHLY

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CONTENTS

Page

Notes of the Month: Who Pays the Bill? *Balance of Payments Conjuring Trick—The Big Lie—Sweeping It Under the Carpet—Lenin on Britain—High Price of Banditry—Colonialism and Neo-Colonialism—Overseas Capital—'Cutting' Arms Expenditure—Towards the Real Modernisation of Britain—A Single Battle—'Tribune' and the Path of the Left—Testament of Vicky* **R.P.D.** 193

Incomes and Prices: What Now? President of ASSET calls for organised action to defeat anti-trade union legislation **George Teesdale** 207

What Europe? The case for real European co-operation against the sham 'Going into Europe' plan .. **Ivor Montagu** 209

New Crisis in Africa. Examination of the neo-colonialist effort to hold back the African liberation movements **Idris Cox** 219

Soviet Communists in Congress. A picture of Soviet economic achievements and their future development **Andrew Rothstein** 224

9. 5. 1.=? The attack on the people's living standards **Alan Brown** 229

Council Rents Crisis. Tenants' leader points to the need for a national system of fair rents .. .. **Tom Vernon** 234

Document of the Month: Declaration of the Committee for the Defence of the Revolution in Ghana 222

Illustrations: Scenes of the General Strike, May 1926 215-218

Forty Years Ago 238

Book Review: 'Spanish Notebooks', Ivan Maisky: *D. N. Pritt.* 239

Proud Record .. .. **Helen Falber** 240

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WHO PAYS THE BILL?

My butcher's bill is due
W. S. GILBERT, *The Bab Ballads*

April 18, 1966

After the banquet the bill. After the general election the Budget. Or rather, after the 'Defence' White Paper the Budget. Cause and Effect. Our sprightly Chancellor has performed the remarkable feat of pledging during an election increases of taxation to follow immediately after the election, in the form of a pledge that the increases will be 'not severe'. How much is 'not severe'? No such measure exists in the fiscal dictionary. On whose backs will the blows fall hardest? On the workers? Or on the capitalists? Unfortunately all previous experience shows that taxes on the workers tend to stick, while taxes on the capitalists tend to get passed on to the workers. There is certainly no room to under-estimate the coming economic offensive for which the election, with its conspicuous rivalry in anti-union noises, was in fact the tear-gas preparation. Now that the electoral myth-making is over, and the Budget is due to be let loose upon us on May 3, the time has come when the real facts of Britain's position, the balance of payments and the economic prospects will have to be faced.

Balance of Payments Conjuring Trick

On March 31 with much publicity the balance of payments return for 1965 was published. Triumphantly it was proclaimed for all electors on that day of the general election to hear as their first news of the morning that the record deficit of £769 million in 1964 had been halved by the successful Government measures to £354 million in 1965. The figures of this return, it is understood, were in fact available earlier. The choice of election day for their publication was of course fortuitous, just as the opposite decision in the case of the return of figures of housing construction during 1965, showing a decrease equally in the numbers begun and in the numbers completed, a return available during the month and normally published before the end of March, was to delay publication until after March 31 on the grounds that parliament was not in session. There is nothing more engaging than the innocent desire of Ministers, like children playing blind man's buff, to induce the public to believe that their decisions to publish or withhold a given piece of information at a

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given time are never, never governed by electoral or tactical considerations. But in the case of this balance of payments return, once the diligent student transfers his attention from the newspaper headlines to the actual tables published, a curious feature emerges.

Lost Without Trace

Every year this return has been published. Every year the same set of tables has been made available with unfailing regularity. Every year this set of tables has included (1) 'Government overseas current expenditure and receipts', with detailed specific figures for overseas military expenditure; (2) 'Interest, Profit and Dividends' from overseas; (3) 'Earnings of direct investment' from overseas. These three tables, with whatever limitations, have been invaluable for the picture of Britain's imperialist economy and for throwing light on the key factors in the deficit on the balance of payments. This year these tables are omitted. The familiar set of the other tables of the balance of payments, imports and exports, long term capital investments are given as before, in a new dressed up form entitled *Economic Report on 1965*. But these three key tables have now disappeared. There is no footnote to indicate that the plan has been changed, or that some may be found elsewhere (e.g. overseas military expenditure in the 'Defence' White Paper), or that they will be subsequently published. They have simply vanished in silence from the return of the balance of payments.

Sidney Webb, Thou Shouldst Be Living At This Hour

For anyone trained under Sidney Webb, not in politics, but in the method of scrutinising government documents (the first objective of this skilled researcher, whose honesty finally led him, after disillusionment with participation in two Labour Ministries, to support of Soviet Communism, was to ferret out where the corpse was buried), this omission is interesting. For it is not denied that this elementary statistical information is essential in any statistical return on the balance of payments. Instead, in place of a statistical table, in the course of a 'talkie-talkie' introduction a chatty casual paragraph of sixteen lines is included under the heading 'Invisibles', which refers in vague terms to these factors without giving precise figures. Like a coy maiden, suddenly grown bashful, revealing a partial glimpse of her 'invisibles', then hastily covering them up, to tease and tantalise the ardent student of the imperialist anatomy, this paragraph offers the following gem of fiscal prudery:

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INVISIBLES

Net invisible earnings in 1965 at £129 million were the same as in 1964. Net outgoings in government account rose, mainly because of higher contributions to international organisations. Grants to less developed countries and military expenditure overseas rose slightly. Net earnings from interest, profits and dividends were up by £48 million, despite quite a sharp increase in debits which was due mainly to the higher level of Bank rate. Travel debits again rose fairly sharply. The balance on shipping was somewhat better than in 1964 and there was a further rise in earnings from civil aviation. The invisibles account benefited, as in 1964, to the extent of £32 million from the deferment of interest payments on the main post-war loans from the United States and Canada.

And that is all. Make what you can of that, you mugs.

A Case for Sherlock Holmes

If we endeavour to decipher this mumbo jumbo with the aid of a microscope, some interesting partial conclusions suggest themselves even from these glimpses through the fog. The only two definite figures given show a benefit on the credit side amounting to £80 million. On the other hand, Government overseas expenditure and overseas military expenditure 'rose' by an unspecified amount. If we may assume for purposes of argument that the unspecified increases in net income from shipping and civil aviation balanced the unspecified net debit on travel, then it would follow, since the final net figure of all these current 'invisibles' is stated to have remained the same, that the increase in Government expenditure amounted either to the £80 million given on the credit side, or alternatively, since the non-payment of interest on the U.S. and Canadian post-war loans is stated to have been repeated from the previous year, to the £48 million net increase of income from overseas investments. But why not give the figure straight, as was always done in previous years, in place of reducing the enquirer to this laborious, speculative and needless process of calculation? It is here that we come to the political reasons why the Government is so keenly concerned to withdraw these essential facts, always previously given, from the conspicuous attention of inclusion in the official return of the balance of payments. For these are the facts which blow sky-high the entire political case of the Government, and equally of Toryism, presenting as Britain's central problem the deficit on the balance of payments and economic difficulties as justifying and necessitating tough economic measures through the budget and wage restriction.

The Big Lie

The entire propaganda of the Government, the Tories, the bankers and industrialists and all official circles is based on the picture that

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high wages, high living and consumption and high imports, and insufficient output and exports to pay for these is bringing Britain to the menace of bankruptcy. The truth of this is declared to be revealed in the deficit on the balance of payments and dependence on vast foreign loans. From this the conclusion is drawn that only stern measures to restrict wage advances and increase output and exports can restore the balance and save Britain. The Labour Government blames the Tories for the record deficit of 1964, boasts of the stern measures successfully taken to bring it down by half last year, and promises still more stern measures to bring it down to zero by the end of this year. The Tories and bankers demand still sterner measures. This entire propaganda is based on a lie. It is not only that the rate of wage increases has been less than in Britain's main industrial competitors (let alone socialist countries), and that the officially recorded one per cent increase in consumption during the year up to the third quarter of 1965 has been described by the far from left-wing economist Sir Roy Harrod as 'a world record for austerity' (*The Times*, March 29, 1966). Also in respect of the trade figures the proportion of imports paid for by exports has been higher in these modern years than in most years before in the records of British capitalism for a century. For the twelve years 1954-1965 inclusive the level of imports of goods not paid for by exports of goods averaged only 3.9 per cent, a record low figure. Even for the adverse year 1964, when the deficit on the balance reached the highest ever known, the level of imports of goods not paid for by exports of goods only reached 10.7 per cent. But in 1938 the level of imports of goods not paid for by exports of goods was 42 per cent; yet there was no cry of ruin then, or of the deficit on the balance (which amounted to £70 million) bringing the prospect of bankruptcy.

Sweeping It Under the Carpet

What, then, caused the record deficit of £769 million in 1964? There is no question of the answer. The facts were plain and inescapable in the official return of the balance of payments for 1964, although no hint of these facts was ever allowed to be made known to the wide public in all the electoral hullaballoo about the spectre of the deficit threatening Britain's economic existence and the consequent necessity to restrict wages and consumption and imports and raise output and exports so that Britain could pay her way. The official return of the balance of payments for 1964 recorded that net Government overseas expenditure in that year (mainly military)

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amounted to £431 million, and net long-term capital investment amounted to £321 million, so that these two items alone, totalling £802 million, more than accounted for the deficit of £769 million. Without these two items there would have been a surplus. These two items, causing the deficit, represented solely the operations of the Government and monopoly capital: the export of capital to obtain more profitable returns than from home economic development, and Government overseas expenditure, mainly military, to protect those overseas investments. No question here of high wages or consumption or imports having anything to do with it. This was the guilty secret which was buried out of sight in all the official propaganda statements of the Government and Toryism and the big press. But diligent propagandists of the left were able to dig out these facts from the official statistical returns, and make them known to such limited circles as they could reach—though not of course through the channels of large-scale mass publicity, entirely controlled by the monopolies. Even this limited extension of knowledge of the truth was inconvenient to the Government and official circles. Accordingly these tables have now been deleted from the latest official return of the balance of payments. Skeletons should always be kept locked away in cupboards.

Late Learners

But the time has come when it is necessary to carry a little deeper the analysis of the truth of Britain's position in the modern world and the consequent economic prospects and conditions for the people's fight. Seventeen years ago the present writer in a little book entitled *Britain's Crisis of Empire* predicted the experience of the past two decades of chronic and deepening deficits on the balance of payments so long as the bankrupt policy was continued of attempting to maintain the essence of the imperialist system (overseas capitalist exploitation and tribute protected by costly overseas military expenditure) in the conditions of the disintegration of the old colonial empire. The warning fell on deaf ears. At that time the Attlee-Bevin Government was content to explain the difficulties as due to post-war unsettlement; called on the people to practise wage restraint and austerity, reduce imports and raise output and exports as the solution; and proclaimed each upward turn as a triumph of the Government's measures—until the next jolt. By the time of the second edition of the enlarged version of the same book, entitled *The Crisis of Britain and the British Empire*, in 1957, the Conservative

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Government had been in power for six years and was going through the same cycle. Accordingly in this 1957 Preface we wrote:

> At the time when the first version of this study appeared in 1949, and the fuller and more developed survey in 1953, there was still very little disposition to recognise these deeper problems of Britain's position in the modern world. In 1949 the supposed triumph of 'recovery' under the Labour Government, and in 1953 the supposed triumph of 'recovery' under the Conservative Government, blinded the general outlook to the deeper problems requiring to be faced. . . . However, the facts themselves cannot be so easily exorcised. The facile dreams of 'recovery' without facing the basic problems have twice faded. It is to be hoped that the time is opportune for a more serious consideration of the problems which the British people are having to face and solve.

That was nine years ago. The 'serious consideration' has still to come.

None So Blind

Today, under the hammer blows of experience, two decades late, it has become the tedious commonplace of every pompous politician and journalist to repeat pontifically the oracular truth that the continuing cycle of deepening deficits on the balance of payments must not be regarded as a temporary unsettlement, but are a symptom of a deeper problem of Britain's place in the world after the loss of the empire, and require a more basic solution. In practice, however, they pursue the same policies and offer the same solution as throughout these past two decades: tighten your belts, austerity, curb consumption, restrain wages, increase output and exports, so that Britain can pay her way, while continuing the same bankrupt overseas imperialist strategy and expenditure. They see only the symptom: the deficit on the balance of payments. They have not begun to recognise the real character of the problem: that the present troubles are so far only a first early stage of the consequences for Britain of the deepening disintegration of the imperialist colonial and neo-colonial system; and that if the present policies continue to be followed and are not defeated by the people, a far more disastrous phase is still in front, which would make the present period look like lost golden days.

Lenin on Britain

Lenin long ago in his book *Imperialism*, written exactly half a century ago in April 1916, described Britain, the old classic home of capitalism, as the prototype of imperialism or capitalism in decay. He emphasised especially the parasitism of imperialism as demon-

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strated in its most extreme and advanced form in Britain, with the retarding of home economic development, and increasing dependence of the metropolitan economy on overseas tribute from the exploitation of the colonial peoples. He showed also how this was the basis of the dominance of reformism in the British working class movement and in the leadership of the Labour Party. At the time when he wrote, this extreme parasitism of Britain's economy was demonstrated by the fact that during the years on the eve of the first world war one fifth of Britain's imports were no longer paid for by exports of goods. But this process was carried very much further after Lenin wrote. By the eve of the second world war two fifths of Britain's imports were no longer paid for by exports. Yet there was then no atmosphere of doom-laden crisis. Why? The tribute income was still adequate to cover most of the gap, although a small deficit had begun to appear intermittently during the thirties. The old parasitic basis, with the destruction of basic industries at home and mass unemployment, was still reaching new heights, although its basic instability had begun to show.

High Price of Banditry

Why, then, this nightmare of chronic deficits since the second world war? Is it that this excess of imports over exports has been carried still further? On the contrary. Such superhuman efforts have been imposed on the people, to force up output and exports and curb imports and consumption that the level of imports paid for by exports of goods has reached a height unparalleled since the earlier days of British capitalism. During the 165 years since 1800, as Lord Cromer, Governor of the Bank of England recently reminded his hearers at the Overseas Bankers Club, 159 years have shown imports exceeding exports. But during the years since the second world war the proportion of imports not paid for by exports has been brought down on the average to under one twentieth, in contrast to the two fifths of 1938; in two years even to an exports surplus; and even in the worst year, 1964, to one tenth. What, then, has gone wrong? Has the tribute income stopped on account of the loss of the empire? Not yet. The total of invested overseas capital and overseas capital investment income is higher than ever; and even in 1964 the net 'invisibles' income of £610 million would have more than paid for the visible trade gap of £553 million. But one new feature has appeared in the accounts since the second world war which was unknown in 1938. In 1938 there was no entry for Govern-

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ment overseas military expenditure; the total Government overseas expenditure was £16 million. In 1964 net Government overseas expenditure, mostly military, was £431 million—a twenty-seven-fold increase. Does this mean that there was no overseas military expenditure required to maintain the empire before the second world war? On the contrary. All the garrisons and bases and colonial wars were maintained. But they were all in general charged to the Indian and colonial budgets, not to the British budget. Now the system of colonialist or neo-colonialist exploitation and overseas tribute income still continues; but the cost of maintaining it, with actually much higher arms and military costs today, has to fall on the British workers and taxpayers. The system is still highly profitable for the big monopolies. But the loss for the British people has become more obvious. Hence arises the battle over 'Who Pays the Butcher's Bill?', which has become the real heart of the battle of the budget.

Colonialism and Neo-Colonialism

The price of the modern strategies of imperialism is expressed in the deficits on the balance of payments and the consequent economic offensive to impose 'tough' measures on the people at home, increase taxation and curb wage increases. John Strachey wrote a characteristically shallow and short-sighted book in 1959 under the title *The End of Empire*, in which he called attention to the fact that British capitalism was booming more prosperously than ever after Labour had given away the empire, and that therefore Lenin's analysis of the parasitic character of British capitalism and of the supposed key role of colonial exploitation in its economy was wrong. Strachey had not yet awoken to the significance of neo-colonialism, although a very careful analysis of its character had already been given two years earlier in the present writer's book, referred to above, in 1957, under the specific title tentatively suggested as a possibly necessary new term *The New Colonialism* (apparently the earliest use of the term so far recorded). From the end of the second world war to the present day the decisive governing policy of every British Government without exception, Labour or Tory, and of the leaders of British finance-capital, has been to endeavour to rebuild the reality of Britain's world imperialist position in the era of the advance of national liberation and disintegration of the old colonial rule. This has entailed (1) the rebuilding of the largest possible volume of capital exports, partially depleted during the second world war, and the maintenance of sterling as a world currency;

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(2) the continued role of Britain as a military world imperialist power for the protection of these overseas investments and monopoly interests, no longer on the old now untenable basis of direct colonial rule, but through the system of overseas military bases strung across the world, enlarged armaments and highly mobile armed forces, and all possible forms of economic and political penetration and influence within the newly independent countries. One quarter of the world is no longer marked red on the map. But the string of military bases still continues, repeatedly driven out by the people from one territory and immediately seeking installation in another (always with high costs of abandoned installations in the old and new constructions in the next), and eventually seeking, in face of the relentless pressure of the advance of national liberation, the remotest least inhabited islands across the oceans of the globe, but always with the continuing inflexible purpose to maintain Britain's world imperialist military power:

> We do intend to remain in a military sense a world power.
> (Defence Minister Healey, at Canberra, February 2, 1966)
> The Labour Government insists Britain is to be a world power.
> (Premier Wilson, at Plymouth, March 19, 1966)

For this grand aim the price has to be paid and has to be extracted from the working people, even if it means throttling the rate of advance of essential home social development, delaying house construction, denying the teachers their just claims or shackling the unions.

Overseas Capital

In 1913 the total of British overseas capital assets was estimated at £4,000 million. During the first world war one quarter of these were lost; and the attempt to rebuild Britain's world financial position between the wars on the basis of restoration of the gold standard in the twenties broke down with the collapse of this attempted restoration in the thirties. By 1938 a nominal value of £3,535 million had been restored, but with a diminished real value more than one third below the level of 1913. During the second world war one third of this was lost, so that the total by the end of 1945 was down to £2,417 million (Bank of England Report on 'Overseas Investments, 1938-1948', published in 1950). Since 1945 the supreme effort of every Government through every year, whatever the condition of crisis or deficits, has been to build up anew this accumulation of overseas capital as the essential foundation of Britain's imperialist

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economy, until the latest estimate by the Bank of England of the total of British private long-term overseas capital has reached the very high figure of £11,000 million. This represents a more than quadruple increase in two decades, an unparalleled rate of increase even after allowing for the diminishing value of the pound, and all the more extraordinary in that it has been accomplished, not in a period of abounding prosperity and surpluses as before 1914, but in a period of constant deficits, and indeed constituting the main factor, alongside the accompanying overseas military expenditure, in causing the deficits. Under pressure of the extreme emergency represented by the 1964 record deficit the Government was compelled in 1965 to take measures to reduce the volume of the private export of capital from the figure of £247 million the previous year to £137 million in 1965. But the aim to resume as rapidly as possible the fullest export of capital has been proclaimed equally by Lord Cromer as Governor of the Bank of England and by the Government:

> Lord Champion, Minister without Portfolio, said that as soon as possible Britain must start investing abroad to secure her future again.
>
> Lord Aldington asked if this was a statement of Government policy.
>
> Lord Champion said that the whole business of trying to damp down investment abroad must come to an end as soon as possible.
>
> (House of Lords, February 9, 1966, *The Times* report)

The basic strategy continues, only temporarily and partially interrupted by the emergency measures to meet the extreme deficit.

Laocoon's Struggle of the Government

Why does the Government cling so tenaciously to this strategy, although they know that it is the main cause of their deficits and economic difficulties, and the main obstacle to thwart the fulfilment of their aims of economic expansion and modernisation at home? Whatever they may say in public to blame the workers and their earnings, they know perfectly well that in fact it is their own overseas government expenditure and the export of capital which more than accounted for the 1964 deficit. They know perfectly well that it is their own ever rising arms expenditure which is the main cause of the continuous inflation, not merely through the waste of resources and of the most skilled labour unproductively used, but through thereby injecting a vast volume of wages and salaries to increase the demand for goods on the market without contributing any goods. They know that it is their own emergency restrictive measures of the credit squeeze and the like which hinder the increase of production

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even to the low targets set. Aware of all this, they have genuinely tried to make cuts in the export of capital and in arms expenditure. But they have in fact failed. Their measures to restrict the export of capital have not only still left the high figure of £137 million, but they have had to proclaim the aim to increase this again as rapidly as possible.

'Cutting' Arms Expenditure

On arms expenditure the record is even more desperate. They have proclaimed the aim to hold down the total during the five years until 1970 to £2,000 million at 1964 prices. On this basis they claim a 'saving' of £400 million. This 'saving' is of course a purely hypothetical figure of money which would otherwise have been spent. In reality this has meant and means a continuously rising figure (already £2,152 million for 1965), since the very inflation which is largely caused by the wasted government expenditure of the arms programme is used to justify its further increase. Similarly the rigorous review instituted to discover economies and cuts in the arms programme and overseas military commitments has ended in the fiasco of the 'Defence' White Paper. The project for the new naval aircraft carrier is replaced by the decision to buy U.S. F111 bombers, thus increasing dependence on the United States. The decision to evacuate the Aden base, which has become untenable, by 1968 is accompanied by a parallel decision to develop an alternative base in Bahrein or elsewhere on the Gulf, and to maintain a 'military presence' in the Middle East. All the other commitments continue. Why have all these attempts at cuts and economy thus failed to make any important difference in the crippling burdens? Because these attempts have been conducted within the framework of acceptance of the general imperialist policy and strategy, the Anglo-American military alliance, Nato, Cento, Seato and the whole 'East of Suez' programme. The burdens are accepted, because the imperialist basis of Britain's entire economic structure, the maintenance of the overseas colonialist exploitation and exported capital investments and world financial operations and the tribute income on this basis, together with the necessary world military measures to maintain this basis, are regarded as the indispensable foundation of Britain's economy, to lose which would mean the end of Britain. Therefore the sacrifices are placed on the workers. Therefore the succession of 'tough' Budgets. Thus the practice of the Wilson Labour Government, like that of the Attlee-Bevin Labour Government previously,

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which in this sphere of the arms programme and overseas military commitments and the 'East of Suez' strategy so shocks many of its most ardent supporters on the left, precisely confirms Lenin's thesis.

Facing the Facts

There is a lesson here also for all on the left. It has been customary to treat as sufficient answer, in reply to the deceptive propaganda of the Government and Toryism and official circles about the deficit on the balance of payments as due to the high living of the people, to point out that even the record high deficit of 1964 was, as we have already noted, more than accounted for by the two items of Government overseas expenditure and the export of capital, and that if it had not been for these two items there would have been a surplus. This is true, and for immediate propaganda purposes is a sufficient answer. But it is not an adequate answer for facing the real problem of Britain's position. For it is based on the assumption that, while the export of capital and overseas military expenditure could be stopped, the net 'invisibles' income of £610 million, in large part representing the tribute income based on imperialism and colonial exploitation, could continue to flow in unchanged. This assumption is untenable, equally as a left viewpoint, and as a serious long-term analysis of Britain's prospect. The two aspects, the credit and debit factors, are two sides of a single coin. The imperialist tribute income, and the costs of maintaining the tribute income through overseas military expenditure and the export of capital, are in the real world inseparable. To this extent the Government's position is logical, however disastrously mistaken in the endeavour to maintain what has been condemned by history. It is essential for the left to make clear that its calculation for the economic future of Britain is not based on the assumption of the continuance of the imperialist tribute income, but on a conscious plan for the radical reorganisation of Britain's economy on a non-imperialist basis.

Towards the Real Modernisation of Britain

The national liberation movement throughout the world has already won the establishment of political independence in the majority of former colonial territories. But the battle is still going forward to end the old colonial economy, to win mastery of the economic resources of the newly independent countries from the still continuing extensive ownership and control by the giant Western overseas monopolies, and on this basis, combined with internal

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democratic reform, to establish a truly independent and balanced economy capable of rapid modern development. This battle is still only in its early stages. It is meeting with the most intense resistance from imperialism. When Mossadeq nationalised the oil of Iran, Herbert Morrison sent warships to Abadan; and finally Mossadeq was replaced by a military dictator allied to the West. When Nasser nationalised the Suez Canal Britain and France declared war on Egypt. The wars in South East Asia are no abstract ideological conflict, but a battle between imperialism and the peoples of South East Asia for control of one of the richest raw materials areas in the world. Whoever imagines that the peoples in the sphere of British imperialism will accept indefinitely the alienation of their resources represented in the £11,000 million overseas capital assets of the British monopolists is living in a dream-world. Unfortunately this is the conservative dream-world of Premier 'East of Suez' Wilson and the City of London. And the immediate living practice of this dream-world is no dream, but very painful reality, and very costly for the British people. Therefore it is essential to recognise that the real modernisation of Britain's economy requires a break with this imperialist basis. The liberation of the peoples overseas from the domination of the big British monopolies means also the liberation of the British people from these same monopolies.

A Single Battle

The just fight of the unions against crippling legislation to hamper wage demands; the just fight of millions of organised workers against low wages; the just fight of the women workers for equal pay; the just fight of the teachers for educational advance: all these and a hundred other demands in every sphere are all met with the argument that, however admirable the demands, the money is not there, and everyone must make sacrifices. In other words, the imperialist costs come first. Therefore it is essential that this economic and social fight of wide sections of the people, to be effective, must be combined with the political fight to end the imperialist strategy and costs. And this political fight to end the imperialist strategy and costs in the world sphere must equally be combined, to be effective, with the political fight at home to transform Britain's economy from its imperialist basis, that is, to take over the main resources from the monopolies and so make possible the large-scale economic and technical and social reorganisation which is necessary.

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'Tribune' and the Path of the Left

In an editorial entitled '*Tribune* and the Labour Government' this leading organ of left opinion gave this advice for the future guidance of the left:

> The argument now is about the implementation of Socialism in Britain. We believe that the leaders of the Government know that well; they know also that the whole Labour movement will support them in their efforts to establish Socialism. But should they instead decide to take the path of compromise they can expect a sharp reaction from the whole Labour movement.

This is really to dwell in cloudcuckooland. The implication is that the plainly declared imperialist strategy of the present leaders of the Labour Government is still unknown, or is compatible with the aim 'to establish Socialism'. But the ruinous imperialist 'East of Suez', £2,152 million arms programme and overseas military commitments strategy has been made perfectly plain, with the consequent allocation of priorities, the 'get tough' policies and demand for sacrifices at home to pay for this, and the openly proclaimed conclusion that social reforms must be limited to fit in with the requirement of this programme. The task of the left accordingly becomes, at the same time as certainly supporting the Labour Government against Toryism, not to sit back and wait and see which way the policy of the Government will go, but to fight already now to change this disastrous imperialist strategy, to win by active struggle the economic and social advances which are being blocked by this imperialist strategy, and thereby begin to open the way to the conditions for the future advance to socialism.

Testament of Vicky

That most brilliant and humane of cartoonists, Vicky, whose untimely loss all lament, and who did as much as anyone by his merciless cartoons of Tory leaders to help the Labour Party, led by Harold Wilson, into office in 1964, wrote in a letter to K. S. Karol just before his death (quoted by the recipient in *Le Nouvel Observateur*):

> What is happening is terrible. I was right and you were wrong. This government is worse than the Conservative government, more hypocritical and more difficult to fight.

Vicky committed suicide. For Vicky personally and his unhappiness all will feel deep respect and sympathy and understanding. But suicide is not a political solution. It is necessary to fight.

R.P.D.

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INCOMES AND PRICES: WHAT NOW?

George Teesdale

President, Association of Supervisory Staff, Executives and Technicians

THE General Election is over. The British people have given to the Labour Party a handsome majority of 97 to be exact, to govern without fear for the next five years. During the campaign the role of the trade unions figured largely in the major speeches of the three main parties. Lies, misrepresentation and deliberately manufactured ghosts were paraded to scare the electors. Overnight blacklegs became the heroes and shop stewards villains (The 'Cowley Trial'). The Minister of Labour issued grave warnings and called for enquiries, but he has yet to issue warnings to the employers who deny workers the right of recognition of their unions.

As an active trade unionist I am particularly concerned with the proposed Incomes and Prices Bill. George Brown's Bill is simply a plan to control wages while the dividend receivers get off with the minimum of interference. If such a measure had been introduced by a Conservative Government the whole trade union movement would have rallied to defeat it.

It is regrettable that the General Council of the Trades Union Congress should have been stampeded into support of this measure. It should also be noted that those unions who gave support to the measure have been among the first to fall victims to it (Railwaymen, etc.). George Brown's sense of distribution of wealth seems to be: Aubrey Jones, Chairman of Prices and Incomes Board—£287 per week; Tom Jones, railway porter—£10 18s. per week.

My own trade union, one of the first unions to give the early warning to the TUC and the Confederation of Shipbuilding and Engineering Unions against George Brown's intention, believes that we must now organise in the factories and the unions to defeat any legislation proposals which would prevent union leaders carrying out their duties to their members, with the help of all those MPs on the floor of the House of Commons who are prepared to take a stand. We have been elected to drive the hardest bargains with the employers to obtain the highest level of wages, the best conditions

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of service possible. We must fight for full employment and end the disgrace that our women are treated as second class citizens. Equal pay and equal opportunity for women must figure early in the new Government's legislation. I believe that the slogans of all union conferences this year should be: 'Freedom to organise: freedom to bargain: forward along a real Socialist Road'.

The South Wales Area
of the
NATIONAL UNION OF MINEWORKERS

Send May Day Greetings to fellow Trade Unionists and their families, and to all men who work for lasting Peace and the emancipation of the oppressed and under-privileged.

LONDON REGION
NATIONAL GRAPHICAL ASSOCIATION

London's craft printers send fraternal greetings to all engaged at home and abroad in the struggle to advance the position of the workers.
We pledge our continued efforts towards the establishment of **world peace and universal brotherhood.**

W. T. Booroff, Secretary,
3-7 New Street Square, E.C.4.

The National Union of Mineworkers
Derbyshire Area

Sends May Day Greetings to all Trade Unionists in Great Britain and throughout the world, and wishes them peace and prosperity.

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WHAT EUROPE?

Ivor Montagu

GOING into Europe? 'Let's go!' In contemporary television practice these two words form a cliché dialogue device, to serve as an all-purpose introduction to a change of scene. (For our ancestors, in silent cinema, the same function was performed by the sub-title 'Came The Dawn'.) In Britain's recent General Election they became a live cliché, as universal for each of what we called the 'three major parties'. Before we set forth, it is time the fourth voice, excluded from debate though in this case as in others the only articulate voice of British interests, should be heard. Where are we to go? Into what Europe? And does the road thither lead us to a dawn?

Heath naturally supports the Common Market. His humiliation and mortification when he was charged with the unsuccessful negotiations on the subject a few years ago stamped his record with a failure he is personally anxious to efface—Grimond vaguely confuses it (as so much else) with 'progress'. The me-too-ism imposed by the British electoral system at election times on every party seeking to scrape its mandate to govern from the same wavering don't-knows, would alone have been sufficient to impose an echo on Harold Wilson. But there is much more to it than mere tactics.

From the purely trading point of view a simple counting of heads shows that few in Britain stand to gain, many to lose, by entering the Common Market. British farmers would lose their subsidies, Commonwealth producers their preferences, food prices would rise. If the abolition of tariff barriers into the Common Market countries benefited some firms here (particularly the American subsidiaries), the abolition inwards would ruin many others. And barriers against importing labour must disappear too, so that, legally, unemployed from the countries of the six could be brought at undercut wages. None of it makes sense. It is not meant to. Its aim is something quite different.

Whenever capitalist demagogues are up to something particularly diabolical they always adopt slogans with the content reversed. 'Nazi', for example, derives from the German pronunciation of the first two syllables of the name—'National *Socialist* German *Workers*' Party'—given by Hitler to the organisation he founded originally as

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a paid agent of the German General Staff, led to power on the basis of subsidies from millionaire bankers and industrialists, and used to crush all workers and socialist organisations in Germany. The leaders of the contemporary crusade for Christian civilisation against black barbarism in Africa (e.g. Smith and Verwoerd), or against red on the world scene (e.g. Chiang Kai-Shek, Edward Teller and Marshal Ky), are hardly convincing disciples of the historical Jesus.

So with the Europe slogan. Grimond is right. 'Unity of Europe', the gathering of the multi-coloured Europeans under one flag, invaders and invaded, lions and lambs, does appear vaguely millennial. And no doubt may one day really be made so. But meanwhile, what Europe?

Spread out the school map. Sitting on hard benches, we had it inculcated into our souls through our buttocks that Europe began at Finisterre and went on to the Urals. Not so, however to the new crusaders. Geography has become an illusion. For them geography begins in California and ends at the Elbe. It includes Turks but not Poles. Copernicus, Comenius, Chopin, Liszt, Rubley, Tolstoy, Chaikovsky, Pushkin—in Common Market terms these are not Europeans, they are Asiatics. Of the real Europe, its culture, its history and community bound by a thousand threads, we are and always have been, an inseparable part. The Europe we are asked to enter has nothing in common with the European culture, history, real entity. It is but a truncated corpse—galvanised by long-distance manipulation from the Pentagon. The puppet masters whose ideal was to make Asians fight Asians, seek in our continent to set Europeans permanently against Europeans. This 'Europe' is a desperate effort to resuscitate Nato before finally it goes down for the third time. It is really anti-Europe.

In the Labour election manifesto the point was made that: 'The Labour government has taken the lead in promoting an approach by EFTA to the countries of the European Economic Community so that Western Europe shall not be sharply divided into two conflicting groups.' Note that subtle transition from 'Europe' to 'Western Europe'. The sentence might more frankly and accurately have run: '...so that the division and conflict between Eastern and Western Europe may become sharper and more permanent.'

The Europe into which we are invited to thrust our heads—as into a noose—is a Europe of big business, reaction, counter-revolution, colonial exploitation and cold war. It is not new. Hitler's 'Geo-

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politik' visualised it and partly realised it, under domination of German big business, before the war. And his promise of constituting it as a reactionary wall was the reason why he received such a long rope from the Chamberlains, Daladiers and other traitors. During the war, by looting, slave labour and Quisling business 'collaboration' he partly realised it. Bonn today sees the West German dominated Nato and Common Market on the same model.

In times of difficulty for capitalism the idea often comes forward. Fifty years ago, in 1916 at the height of the first world war, the 'United States of Europe' was put forward as a victors' solution. Lenin's analysis then is worth recording. 'The important question', he said, is that 'of its content and meaning . . . (it) is either impossible or reactionary under capitalism.' And he went on: '. . . of course *temporary* agreements between capitalists and between the powers are possible. In this sense the United States of Europe is possible as an agreement between the *European* capitalists . . . but what for? Only for the purpose of jointly suppressing socialism in Europe, of jointly protecting colonial booty.'

Exactly the same thing turned up shortly after the second world war began under guise of a now forgotten slogan: 'Federal Union'. Its arch apostle, an American, Curran, wrote openly: 'I do not see how any political structure can make revolution impossible . . . but federal union would make revolution extremely improbable and . . . this is an argument for Federal Union.' *The Times*, on November 3, 1939, wrote of it:

> Much progress has lately been made in establishing successful international commodity schemes, which form instruments of orderly development but are also powerful economic weapons. Steel, tin, zinc, aluminium, rubber, sugar, tea, meat and other vital products are already under some form of international control. . . . These schemes, still latent and piecemeal have enormous latent possibilities, we have in being today, in the Supreme Council and the Inter-Allied High Command, a standing organ of government with a powerful influence over two distinct sovereign states (U.K. and France, *I.M.*) and a combination of armed forces under unified control. If by common consent these arrangements could be left functioning after the war it would only be necessary to add to the Supreme Council representatives of other states, and to add to the armed forces contingents from the ex-neutral and ex-enemy countries in order to have an international organ of government with an international police force at its disposal.

And it explains delicately the duties of such a force: 'The provision of means whereby the international community can protect itself against *harmful economic policies* on the part of its members.' (Our italics—*I.M.*)

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The true significance of this article is better understood when it is recalled that it was written at the height of the phoney war, and that the newspaper is proposing incorporation of the undefeated Hitlerian Wehrmacht in the counter-revolutionary force. Its topicality is increased by the (premature) inclusion, almost word-for-word, of the current cant phrase for imperialist colonial exploitation: 'Colonies, while lacking their valuable existing ties of loyalty, might benefit from pooled reserves through the creation of international technical and economic services backed by an international grant-in-aid system'. (Such, of course, as currently involves expense by Britain of one half of one per cent of national income in return for the millions of profit derived from its investments in present and former colonies.)

The Treaty of Rome is nothing but the echo of this in our own day, based on Nato. Its provision for the unification of the economic, financial and social policy of the member states means the ending of the independent right of any one of them to move towards Socialism. The right of the respective peoples to sovereign determination of their course through their parliaments is formally ended. Even Gaitskell saw this clearly and, out of office, listed among the modifications required before Labour could contemplate adherence: 'Freedom to pursue our own foreign policy' and 'the right to plan our economy'. Such considerations do not worry Heath, where declared policy is 'Join first, expostulate afterwards'. Nor is it likely to disturb Brown, Wilson's appointee for 'European' matters, that joining automatically outlaws nationalisations and will make it easier to refuse trade union demands.

The more one studies all these schemes, the more strikingly emerges the continuity they represent. The gendarme of reaction in 1916, the Allied General Staff plus Hitler that was the dream of the Munichites and would-be pro-Mannerheim crusaders in 1939, is exactly the role cast for Nato plus the EEC under contemporary conditions. Even the struggles inside and outside the Common Market exemplify Lenin's point that any such agreements could not be stable, but could only reflect the power-relations that underlie the various divisions of interest and compromises momentarily embodied in its text. Herein lies the key to the EEC conflicts. De Gaulle wants the Europe-des-patries—to protect a weaker France from the impact, within an unalloyed community, of stronger Bonn. He wants an EEC to protect European commercial interests against those of America. He objects to British entry as the Trojan Horse for an

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American voice that would remove even West European identity and subordinate it, not only commercially but also militarily to U.S. policy outside Europe and all over the globe. Echoing the balance of power tradition in which he was bred, he reaches out a hand to USSR and China to counterweigh French isolation. In all this there is never any question but that the whole object of the exercise is not to break humanity's barriers, and—most pressing of all tasks in our era—redress its inequalities of development (that gets no further than the implications of the slogan) but to favour the biggest, most powerful, most ruthless industrial organisations ('the most efficient'), at the expense of all others in the communities in which they operate, against the social demands of their work-people, against socialism, and to facilitate their more effective exploitation of the 'underdeveloped' areas of the earth.

Against this truncated Europe of the capitalist imagination, we must counterpose the real Europe. Against the cold war of West against East, the union of employers against workers, the 'I'm all right, Jack' of Atlantic bankers and industrialists against the world's teeming millions, against, in other words, the headlong path to holocaust, we must set the real objectives. We must not be trapped into seeming preoccupation with chauvinism and small 'c' conservatism. Therein lies confusion and the opportunity for reactionary demagogy. We stand for the abolition of blocs and a real *all-European* security system co-ordinating and pledging all against breach of the peace. We stand not for 6's against 7's in the West, a bar against the East, and a submergence of British interests and worsening of living standards in the interest of intensified confrontation against Socialist and developing countries who are the natural complement of our industry. As is not unusual, the true interest of the British people happens to coincide with the peace, interest and natural path forward of others.

MAY DAY GREETINGS

to our readers and friends at home and abroad from the Editorial Board and Staff of LABOUR MONTHLY

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The Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers

The General Executive Council sends Fraternal Greetings to all workers throughout the world and reaffirms its policy of dedicating themselves to the alleviation of poverty and the establishment of World Peace.

D. McGarvey,
President.

MAY DAY GREETINGS
to all readers,
from the Editor and Staff of
SOVIET WEEKLY

3, ROSARY GARDENS,
LONDON, S.W.7

MAY DAY GREETINGS to all L.M. READERS

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SOCIETY OF GRAPHICAL AND ALLIED TRADES
("SoGAT")
formed in January 1966 by the amalgamation of the National Society of Operative Printers and Assistants ("Natsopa") and the National Union of Printing, Bookbinding and Paper Workers.
May Day greetings for unity and progress to trade unionists everywhere.

MAY DAY GREETINGS from **PLATO FILMS**

Send for our
FILMS for PEACE list

PLATO, 164, Shaftesbury Avenue, London, W.C.2.
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GENERAL STRIKE, MAY, 1926

'MAY DAY, the day of the workers' unity for action, falls this year at a moment when that unity is required more than ever before'. Thus began the Notes of the Month, May, 1926: and on that May 1, a conference of trade union executives decided to call a general strike at midnight on May 3, in support of the miners' resistance to the employers' attack.

The nine days that followed constitute an epic of British working class history. The best contemporary accounts of it are to be found in Robin Page Arnot's *The General Strike, May, 1926: Its Origin and History* and the companion volume, Emile Burns' *The General Strike, May, 1926: Trades Councils in Action.* Perhaps the best way to get a picture of how the workers were moving in the towns and villages of Britain during those momentous days, is to show the campaign of one particular locality, a mining area, the Northumberland-Durham division. It has particular interest for *Labour Monthly* readers, as our Associate Editor, R. Page Arnot, took an active part in this locality's successful preparations and campaign.

One of the actions taken by the Government, in their nine months of preparation prior to the general strike, was the arrest of the twelve Communists, R. Page Arnot being one of them, charged with 'conspiracy to utter seditious libel' and imprisoned in November 1925. (At the same time, the Editor was arrested in Brussels and a representative of Scotland Yard sent over to Brussels to bring him back for the trial, but an international campaign defeated this). On his release from prison, R. Page Arnot went straight to Newcastle and in his description of the events that followed he tells how the local Trades and Labour Council called a meeting on May 2, to which they invited representatives of all working class organisations. A plan of campaign was put before this meeting and accepted and the members present constituted themselves a Council of Action. On Tuesday, May 5:

> The regional authority took shape . . . as the Northumberland and Durham General Council, together with a Joint Strike Committee, which took over, and was given supreme authority subject only to the Trades Union Congress General Council. This authority was acknowledged in effect, if not in theory, by the Civil Commissioner, Sir Kingsley Wood, who, having found himself and his staff in serious difficulty, after forty hours of the general stoppage, came by night to negotiate personally with the Strike Committee. Sixty hours after the Strike began, Sir Kingsley Wood, accompanied by General Sir Kerr Montgomery, were once more at Burt Hall, making a plea for 'dual control'

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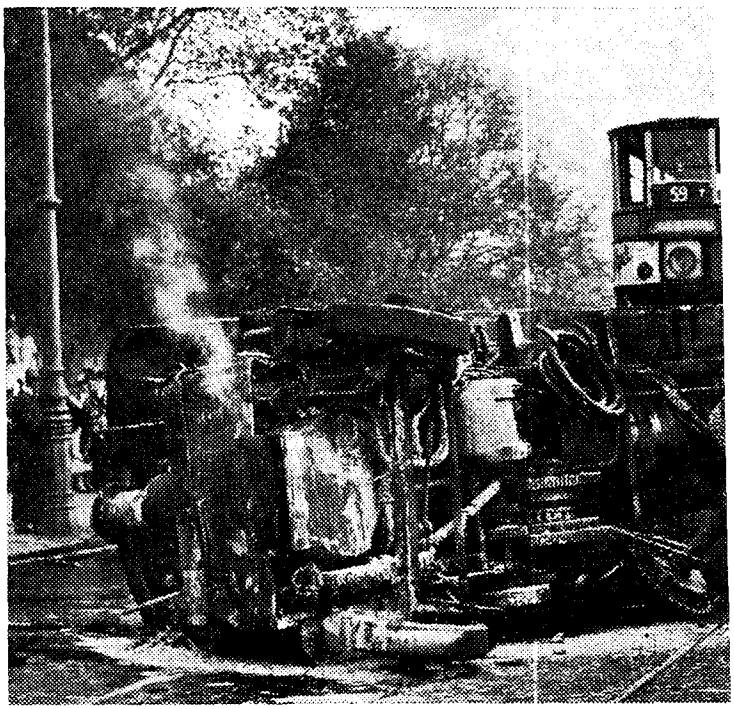

Action by strikers against Trams run b

Scenes of the General Strike May, 1926

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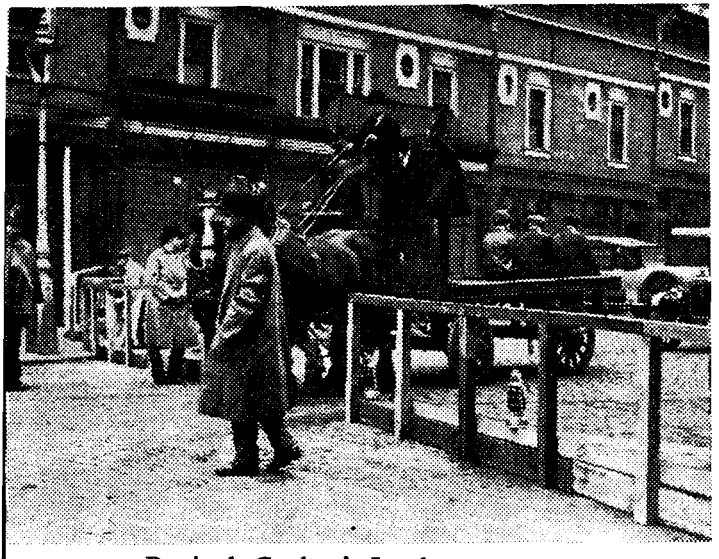

Barricade Cordon in London

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of the transport of food. This proposal was immediately rejected by the Joint Strike Committee, which at the same time decided 'that we now use the discretionary powers vested in us by the Trades Union Congress and withdraw all permits today'.

(From 'The Miners', by R. Page Arnot)

These negotiations by Sir Kingsley Wood were officially denied in the House of Commons. But this decision to withdraw all permits was a momentous one by which the Strike Committee gained for the first time the complete control over transport vital to the success of any centralised conduct of a general strike.

The overwhelming response of the workers to the general strike rose right up to the moment when it was shamefully called off by the General Council. Typical BBC bulletins of the last days ran: Tuesday, May 11—evening bulletin—'There is as yet little sign of a general collapse of the strike'; and Wednesday, May 12—10 a.m. bulletin—'The position as a whole is still one of deadlock'. Two hours later came the noon bulletin: 'General Strike ceases today'.

Later, in his July Notes, Palme Dutt summed up the lessons to be learnt from the period of struggle leading to the mass strike thus:

'1921-26 was the slow and painful learning of the first lesson of "Black Friday"—the necessity of united mass struggle to meet the conditions of modern capitalism. But the second lesson of "Black Friday" was not yet learnt: that such mass struggle could not be conducted by the old reformist leadership save to defeat . . . It is no longer a question of the readiness of the masses for the struggle, but of the readiness of the leadership . . . Working-class unity can only be realised under a leadership which believes in and is prepared to fight for and maintain working-class unity.'

THE SCOTTISH COMMERCIAL MOTORMEN'S UNION

sends May Day Greetings to fellow Trade Unionists throughout the world.

Alex H. Kitson,
General Secretary

THE MUSICIANS' UNION

on behalf of 36,000 musicians sends warm fraternal greetings to the readers of 'Labour Monthly' and the Trade Union and Labour Movement.

National Office 29 Catherine Place London S.W.1

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NEW CRISIS IN AFRICA

Idris Cox

SIX years ago 1960 was often described as 'Africa Year'. At that time one country after another was either achieving independence or had won agreement for a fixed date. Africa is now facing a crisis year. In recent months it has been the scene of several military coups. That which took place in Ghana in February was the biggest setback to the advance of the liberation struggle in that vast continent.

It is not the only setback. Together with the military coups in the Central African Republic, Dahomey, and Upper Volta, comes the retrograde decision of the 11 independent states of East and Central Africa to recognise the Congo regime of President Mobutu, with his heavy responsibility in relation to the murder of Patrice Lumumba. As if this was not enough the Kenya Government mounted a double-pronged offensive. One was to remove the socialist stalwart Oginga Odinga from leading positions in the government and in the Kenya African National Union; the other was to expel Gbenye and Kanza, the two main standard bearers of the struggle to achieve democratic rule in the Congo. Together with the repressive measures in Algeria (Ben Bella and scores of liberation fighters are still in detention) and the prolonged ban on the Communist Party of Sudan, all these measures constitute a serious counter-offensive against the advance of the African revolution.

It will take some time for the progressive forces in Ghana to regroup themselves to put an end to the military junta which has seized power. But it is a good sign that resistance is already being organised, as is made clear from the statement of the 'Committee for the Defence of the Revolution' (p. 222). However, it would be utter folly to imagine that the Ghana military coup is an isolated episode. It is the high-water mark of a determined offensive which neo-colonialism is waging in a desperate effort to hold back and destroy the most progressive forces in the African liberation movements.

The British and American press, radio and TV would have us believe that the Ghana military coup was a spontaneous revolt against Dr. Nkrumah's 'dictatorship', and a policy which brought the country to 'the verge of bankruptcy'. That Ghana was faced with serious economic problems cannot be denied. Nor can it be denied that serious blunders were made in carrying through the Seven-Year

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Plan, together with the failure to apply more flexible methods to rally the masses for the achievement of its aims. But all this has nothing to do with the real causes of the military coup.

What is significant is that it was launched within a month of the completion of the £56 million Volta Dam (planned over a decade ago) and for which Ghana raised most of the funds from its own resources—hardly evidence of 'bankruptcy'! It gave Ghana the essential means to transform its old colonial economy and to end the dangerous dependence on cocoa exports.

The real reason for the military coup was not 'economic bankruptcy'. It was the recognition that Ghana was on the path of advance towards a balanced economy which could make a strong challenge to imperialist economic domination and the stranglehold of the capitalist world market. To put it more bluntly, Ghana was in the forefront of the struggle against the strategy of neo-colonialism, to end economic domination and all forms of pressure from imperialism. In doing so it was fulfilling the declared aims of all African liberation movements in practice, and not simply in words.

From December 1958 to March 1961, there were three all-African People's Conferences. After 1960 there was a rapid advance in the number of African countries winning constitutional independence. Last month Lesotho (formerly Basutoland) achieved this status, and in September of this year Botswana (now Bechuanaland) will become independent. Soon there will be 38 independent African states, comprising 80 per cent of the continent and 85 per cent of its population.

This comparatively rapid process has created the illusion that this constitutes a basic advance towards liberation. True, from the strictly constitutional standpoint it is a significant change—especially if the winning of political power is used for the new stage of the liberation struggle. But unless this is done it means little from the standpoint of changing the traditional colonial economy, ending imperialist economic domination, and the pressure and plots of neo-colonialism. To achieve this involves the sharpest struggles, and these are still to come in Africa.

Dr. Nkrumah's oft repeated warning that no independent African state can be secure until the whole of Africa wins its freedom is more than ever true today. It is one thing to win political independence north of the Limpopo, and it is another when it comes to the Portuguese colonies and white settler rule in southern Africa.

When Sir Hugh Foot (now Lord Caradon) resigned as Britain's

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representative on the United Nations Special Committee Against Colonialism, he was most forthright about the situation in Rhodesia:

> There is no realisation that we are on the edge of a commotion, bloodshed and violence, not only in southern Africa, but in East and West Africa . . .
> (BBC, November 10, 1962.)

Now it is Lord Caradon, spokesman of the Labour Government at the United Nations Security Council, whose policy is bound to lead to this situation.

The desperate efforts of the Wilson government to prevent any decisive action to end white settler minority rule in Rhodesia is a serious challenge to the whole of independent Africa. The farcical manœuvres against the oil tankers at Beira during Easter weekend did nothing to stop oil getting to Rhodesia through South Africa and the Portuguese colony of Mozambique.

No wonder the military coup in Ghana was greeted with whoops of joy in British and American ruling circles—as well as in Rhodesia and South Africa. It was recognised that this had removed the main lever which could have mobilised the African states to act together, not only to end the illegal Smith regime, but to put an end to white minority rule in any form.

Even this was not sufficient. It is not difficult to recognise the hands behind the scenes at the recent conference of 11 independent states in east and central Africa. Malcolm Macdonald (son of Ramsay) was recently elevated from the post of British Commissioner in Kenya to become the British 'adviser' for east and central Africa. With the experience of all his manoeuvres to pave the way for the ill-fated Malaysia Federation he is impatient to fulfil a similar task for east and central Africa.

This is what lies behind the recognition of the Congo regime under President Mobutu, the expulsion of Gbedye and Kanza from Kenya, and the vicious campaign which led to the removal of Oginga Odinga from all key positions. It also explains the pressure to maintain the ban against the Communist Party of Sudan, and the sharpening of the anti-communist cold war campaign in Uganda.

It is as well to recall an editorial comment in *The Guardian* almost a year ago which made clear that Odinga's removal would be welcomed in the West. For 'West' read 'Britain':

> As Mr. Odinga's star wanes, that of Mr. Mboya is likely to rise. From the Western standpoint he is much to be preferred; indeed he may be too Western in outlook for his own good.
> (*The Guardian*, May 9, 1965.)

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The third All-African People's Conference at Cairo in March 1961 (after the Congo experiences) defined the real meaning of neo-colonialism and urged the need for united action to combat this menace. Since then there has not been a single conference of the African national movements. All discussions have been confined to conferences of 'Heads of State'. *This has been the most costly blunder since 1961 of the African liberation movements.*

Even in face of the Cairo resolution against neo-colonialism the illusion still persists that constitutional independence *in itself* is sufficient. There has grown the practice of African governments ruling above the heads of the masses, and of using one-party systems to uphold and justify government decisions instead of drawing in the African mass movements to assist in moulding and carrying out agreed decisions.

The serious setback in Ghana is a lesson to all independent African states and African mass movements. Unless this lesson is taken to heart there is serious danger that the strategy of neo-colonialism will win more successes. But if early and energetic action is taken to ensure that African mass movements unite together, and are brought into closer co-operation with the decisions of independent African governments, the better the prospect of defeating neo-colonialism and quickening the pace towards all-African freedom.

Document of the Month

DECLARATION OF THE COMMITTEE FOR THE DEFENCE OF THE REVOLUTION IN GHANA

People of Ghana! Soldiers of the African Revolution! Activists of the Convention People's Party!

THIS IS THE Committee for the Defence of the Revolution calling.

The Ankrah-Kotoka-Harley coup is the beginning of counter-revolution in our motherland. We shall destroy this counter-revolution. Our revolution will certainly resume its forward march.

The Ankrah-Kotoka-Harley coup was directed by British and American secret services and helped by West German intelligence. The coup is meant to serve the interests of Anglo-American imperialism. Inside Ghana the coup used the following forces—Ga and Ewe tribalism; personal vendetta; foreign religious missions; foreign business firms; and traitors in the government and leadership of the CPP.

The policies of the National Liberation Council help imperialism. Some of these are—free hand for foreign investors; mortgage of Ghana's economy to the World Bank run by British and American interests; close down of corporations

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and handing over others to private interests; cut in government expenditure; gradual elimination of foreign exchange control and import licences; ejection of socialist technicians and invitation of more technicians from the Western capitalist countries.

The result of all this will be increased unemployment; increased dependence of Ghana's economy on Britain and America; a falling standard of living for the majority of the people, side by side with a more than comfortable living for a small class of businessmen, top civil servants, top army and police officers and privileged intellectuals.

In Africa, NLC's Ghana is serving the interests of colonialism and neo-colonialism. It has re-established diplomatic relations with Britain, thus letting down our fellow Africans in Rhodesia. It has ejected all freedom fighters formerly staying in Accra whether they came from colonial or independent Africa. It has refused assistance to all liberation movements. As a result, Ghana is already losing the pride of place in Africa won for her by the dynamic anti-imperialist policy of Nkrumah.

To cover its betrayal of Ghana, the Ankrah-Kotoka-Harley NLC (men who served British imperialism when Nkrumah led the CPP into the fight against British rule) is frantically engaged in playing tricks upon tricks in the hope that one of these will confuse the people of Ghana. Some of these tricks are—abuse and vilification of Nkrumah; promises of cuts in the prices of consumer goods (even though everybody knows that these prices are rising rather); promise of salary revision for civil servants only (even though one-tenth of these, i.e. some 10,000 persons, will lose their jobs as a result of the planned cuts in government expenditure); enquiries into the properties of a few people but excluding theirs and those of their friends and collaborators. These tricks are bound to fail, because soon everybody will see that the NLC men are there to serve the interests of their capitalist and foreign business friends. Already tax on rents has been abolished, tax on cars has been reduced; proposed increase in tax on incomes above £1,600 a year has been revoked; transmission of money overseas has become easier to permit these top men to take out their ill-gotten money.

THE REVOLUTION, our revolution, will fight back. All the advances made in Ghana have been brought by the CPP of Nkrumah—independence, free education, good health services, good roads, many factories, better conditions for all, including the army and police.

But in fighting back we have to be vigilant. We must get rid of the so-called 'activists' who plotted with the Ankrah-Kotoka-Harley clique. Can you understand why the former Minister of Forestry, Mr. B. A. Bentum, is now Secretary-General of the Ghana TUC? Can you understand why Tettegah, Ayeh-Kumi and more to come spoke the way they did? Can you understand why Commissioner of Police Harley says that the party leaders and ministers, etc., now in custody, will be sorted out and some released? Can you understand why businessmen are so happy with the NLC? Can you understand why Britain, USA, and West Germany are so happy with the NLC?

These things are happening because the capitalists and their imperialist masters think they have won. They supported imperialism when we fought for independence. But now they want to control the destiny of this country they could not fight for, through treachery and violence.

But they certainly have not won, although we must admit that the coup is a setback for our socialist

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revolution. And we have suffered this setback because the top men in our party, though paying lip service to Kwame Nkrumah, were disloyal to the party and to socialism. They amassed wealth. And to protect this wealth, they worked to destroy the party.

Today a new page opens in the life of the CPP. The capitalists in our midst are going strong. Now the sincere socialist and lowly but staunch party activists must rally the party all over the country and keep the flag flying.

Tell your comrades to be steadfast. Prepare yourself for battle.

Give no assistance of any kind, more especially information, to the army or police.

Don't trust the old capitalist-minded activists in the party.

KWAME WILL WIN! AFRICA WILL WIN! FORWARD EVER—BACKWARD NEVER!

This document is issued by the: Committee for the Defence of the Revolution.

SOVIET COMMUNISTS IN CONGRESS

Andrew Rothstein

OVER a month before the 23rd Congress of the CPSU opened, the Central Committee's draft of 'Directives on the Five-Year Economic Development Plan for 1966-70' were circulated for public discussion. They certainly provoked it. One delegate at the Congress —Kurbanov, Prime Minister of Uzbekistan—mentioned that in his Republic 'over 1½ million workers, collective farmers, scientists and cultural workers took part in meetings to discuss the Directives. About 100,000 people made proposals and remarks on the draft'. There is no reason to doubt that the same took place in the other fourteen Constituent Republics of the USSR.

Delegates therefore came with a full view of the present economic, political and intellectual achievements of their country, the plans for taking it further—and some very pronounced ideas on what is lacking still. Even the children who, in their Pioneer uniforms, greeted the delegates on April 1 struck that note:

> Houses grow quicker than children, and the asphalt around them is smooth. But there aren't any playgrounds nearby: and nowhere for us to play football. Still we do play—so don't be angry if we score a goal in your windows!

However, it was not the frequent critical notes that dominated the discussion on the political report made by Brezhnev (29 March) for the Central Committee. What stands out, as one reads it, is the supreme confidence expressed by delegate after delegate—confidence

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that now it is possible to work calmly, without sudden stunts and unexpected changes: confidence that their Party can overcome the many defects and obstacles on the road to Communism which they did not fail to recount.

Prime Minister Kosygin, in his report on the Development Plan (April 5), gave a factual picture of results up to date, with all the necessary underlining of how much better they could have been but for wrong approaches in planning—outdated methods in some fields, ignoring of scientific and practical experience in agriculture, attempts to get results quickly by fixing unrealistic targets and 'pressurising' local organisers and administrators. Yet allowing for all that, it is not surprising that so many delegates even while extending such criticisms referred with sarcasm and contempt to the talk of 'economic crisis' and 'agricultural failure' by foreign self-styled Kremlinologists.

Take the advance of heavy industry since the first Five-Year Plan of 1928-32—an advance without which the Soviet Union would have gone down before Hitler as all continental Europe went down in 1938-41, and without which it could not have reached first place in inter-stellar research (cheering delegates in Congress had a reminder of this when they heard 'Luna-10' playing the *Internationale* 240,000 miles away in space!). These were the output figures given by Kosygin:

	1928	1940	1945	1958	1965
Electric Power (000 mill. KWH)	5	48.3	43.3	235	507
Steel (mill. tons)	4.3	18.3	12.3	54.9	91.0
Oil (mill. tons)	11.6	31.1	19.4	113	243
Coal (mill. tons)	35.5	166	149	493	578
Cement (mill. tons)	1.8	5.7	1.8	33.3	72.4
Machine-tools (000)	2	58.4	38.4	138	185
Tractors (000)	1.3	31.6	7.7	220	355
Mineral fertilisers (mill. tons)	0.14	3.2	1.1	12.4	31.3

Light industry, after lagging behind for decades shows a similarly gathering speed in recent years, as fuller attention could be paid to consumer needs:

	1928	1940	1945	1958	1965
Fabrics, all kinds (mill. metres)	3	4.5	1.8	7.5	9.1
Knitted goods (millions)	8.3	183	50	496	907
Leather footwear (mill. pairs)	58	211	63	356	486
Beet-sugar (mill. tons)	1.3	2.2	0.5	5.2	8.9
Radio sets (000)	—	160.5	13.9	3,902	5,159
TV sets (000)	—	0.3	—	979	3,655
Refrigerators (000)	—	3.5	0.3	360	1,675

And though agriculture, starting from an overwhelmingly peasant,

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i.e. small-scale and individualist basis less than forty years ago, has had far bigger difficulties to overcome, it has defied the prophets of disaster too, as the five-year annual averages show:

	1924-8	1936-40	1946-50	1956-60	1961-5
Grain (mill. tons)	69.3	77.4	64.8	121.5	130.2
Raw cotton (mill. tons)	0.6	2.5	2.3	4.4	5
Meat (slaughter weight) (mill. tons)	4.2	4.0	3.5	7.9	9.3
Milk (mill. tons)	29.3	26.5	32.3	57.2	64.7
Eggs (000 mill.)	9.2	9.6	7.5	23.6	28.7
Wool (000 tons)	157	129	147	317	361

Add to these such results, during the last seven years, as an increase of workers in industry with a secondary education from 45 to 58 per cent of the total, and the percentage among collective farmers rising from 23 to 31: the building of nearly 17 million flats and individual houses: and a 60 per cent increase in the volume of retail trade.

Of course, the middle column in these three tables was a reminder of the frightful sufferings inflicted on the Soviet people by the second world war—the 20 million dead, the thousands of towns and villages destroyed, the tens of thousands of factories and farms wrecked. They explained why, in the speeches of rank and file delegates and leaders alike, and in the final resolution adopted by the Congress (April 8) stress was laid on 'consistently pursuing the principle of peaceful coexistence of States with different social systems'. While undertaking continued support for peoples resisting imperialist aggression (there were repeated demonstrations of support for the heroic people of Vietnam, with a special pledge in the resolution), the Congress declared that:

> The international Communist movement is right in its conclusion that it is possible to bridle the aggressor and avert a new world war. The Soviet Union has always worked, and will work, for the maintenance of normal relations with all countries and the settlement of disputed international questions by negotiation, not by war.

The plans for the next five years showed, even more than before, that the U.S.S.R. has a 'built-in' interest in the maintenance of peace, and in keeping defence expenditure down to the essential for defending the achievements of Socialism and beating off any aggressor. The following were some—only some—of the outstanding items in the programme adopted, despite defence burdens on the economy:

1. *The national income*—the net new material values created in any year—to go up by 38-41 per cent, and *real personal incomes* by 30 per cent, by 1970.

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2. Industrial output to go up by 47-50 per cent, with a marked *narrowing of the gap* between increases in industries producing means of production (49-52 per cent) and those producing consumer goods (43-46 per cent).

3. New capital expenditure in industry—apart from fuel, power, electronics, specialised engineering and chemical works—to be concentrated on *technical improvement and reconstruction* in the larger towns (with municipal enterprise of all kinds), while, 'with the object of improving the use of labour resources and a more equal distribution of industry, *new enterprise shall be built mainly in middle-sized and small towns, bearing in mind the need to employ male and female labour*'.

4. Side by side with every kind of investment in agriculture (roughly doubled as compared with the previous seven years)—aiming to increase economic and technical efficiency and produce a much increased output—*incomes of collective farmers from their socially-owned enterprise are to be brought closer to those of workers*, by raising the first by 35-40 per cent, and the second by 20 per cent.

5. By gradually introducing guaranteed monthly earnings for collective farmers, raising the number of collective farm pensioners and the size of their pensions, developing local food—and raw material—processing industries, and a big expenditure on village housing, schools, kindergartens, clubs, libraries, laundries, etc., *living conditions in the countryside* are to be brought closer to town standards.

6. The gradual introduction of a general *five-day working week* for industrial and office workers, while maintaining the present level of hours worked per week (over 500 factories have already tried this out successfully).

7. *Secondary education to* 17 to be general by 1970.

8. Day-nurseries and kindergartens to be provided for *all children in towns* requiring them, and their availability to be largely increased in the countryside.

9. Another 14 to 15 million new apartments and individual houses to be built, by the State or with State or co-operative credits, during the five years.

A number of delegates spoke of the expanding democracy of Soviet society: Government and other leaders now frequently reporting on their work at local meetings and conferences; a total of 23 million citizens giving active voluntary help in the public work of

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the 2 million deputies of the local Soviets; a growing demand for elected inter-collective farm committees, local, regional, and national, to improve their work and eliminate administrative interference (it was revealed that the Ukraine has for some time been introducing this system successfully). A 25-year-old milkmaid, Lyuba Sysoyeva from a State farm near Moscow, after some sharp criticism of the organisation of her industry, brought down the house with the following:

> Two years ago I visited America with our youth delegation. In order to show us what freedom they have in the USA, they organised a meeting for us with American senators. There was a lot of talk about democracy, their American system was praised up, but that was where something went wrong. Who am I, they ask. I reply: deputy to the Supreme Soviet of the Russian Federation, by profession a dairymaid. I well remember, even their faces grew longer (laughter, applause). Of course that was understandable. They have no dairymaids in their Congress, democracy doesn't allow it (laughter, prolonged applause). Then the gentlemen decided to test me out. In the city of Syracuse one of them, Mr. Lee, asked me to show him my hands. 'All right, Mr. Lee,' I said, 'here they are, look, ordinary worker's hands.' But that wasn't enough either. And when we were guests of an American farmer, Mr. Lescher, they asked me again: 'Now show us how you milk the cows in Russia.' So I did the evening milking for him, and Mr. Lescher had to allow that in the Soviet Union, MP's too, know how to milk cows (loud and prolonged applause). Why do I tell you about this episode, comrades? Because what happened to me in America was not an accident. The capitalists' propaganda wants to make out that in our country the ordinary person only has the right to do the donkey-work, while it's the Communists who rule. They want to divide our people into a ruling class—the Party and simple servants—the masses. But in the State farm where I work every fifth workman is a communist. So we are that same ruling class (laughter, applause).

And she added a few stinging remarks about bloody American aggression in Vietnam, saying:

> We Soviet women like no-one else understand the grief and sufferings of our Vietnam sisters, on whose shoulders falls the burden of this monstrous, cruel war . . . Why, in our country there isn't a family which didn't suffer in the last war. The war crippled my father, and he soon died. It took away those who were dear to many of the girls I know. The Hitlerite bandits too, wanted to conquer us, burned our towns and villages, threw bombs at us and shot us up from the air. And just as we hated the Fascist vultures with Swastikas on their wings, the Vietnam people hate the American fighters.

Not only the Congress delegates, but also the representatives of the 88 Communist, Socialist and workers' parties from all five continents, as well as those of several National Liberation parties, warmly cheered her: indeed, there was no speech in the 10-day Congress which

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did not express this universal loathing and contempt for American aggression and pledge support to the Vietnam people.

Hardly a day, hardly a speech, in fact, which did not also expose the nonsensical stories with which the capitalist press—particularly in Britain—'built up' the Congress beforehand. The anticipations of a great struggle, 'for or against Stalinism', proved as deceptive as any other. The dwindling space given to the Congress by most London newspapers, after the first day or two, was the best demonstration of their thwarted hopes. Even the sharply-underlined need for more attention to ideological criticism—particularly of people who forgot they were citizens of a Socialist State, in a world still threatened by imperialism—failed to provide the sensational results which had been expected. And surely Mr. Crankshaw achieved a ludicrous record of disappointment when he announced, in the *Observer* (April 10) that Russia had 'retired to brood'—with 'no promises to speak of', and 'the really burning issues' (including, of course, Stalin's place in history) 'effectively shelved'.

On the contrary, 'brooding' is the last thing one could fairly say of the Congress. The delegates went back to their districts with certainty and the promise of effective action on all burning issues in their minds This was not 'the tranquil consciousness of effortless superiority which legend attributes to a certain college. It was confidence that Socialist effort, planned in keeping with the science of Marx and Lenin, can make a further great stride to Communist society in the USSR, and vastly strengthen the campaign for peace throughout the world.

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9. 5. 1. = ?

Alan Brown

FIGURES, they say, liberate us. And if we have not been liberated by them yet, it is only a matter of time. It is certainly true that we have been served up with more of them over recent years than ever before. But the intention far from being to liberate us, has been to ensnare us in an ever-deeper quagmire of government-employer propaganda. The people's living standards are transformed into a series of statistics, digits, percentages, graphs and indices, all of which somehow support current ruling class policies of 'pay pauses', 'guiding lights', 'norms' and attacks on the unions. The latest, most

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compressed piece of jiggery-pokery is the set of figures in the title above, used extensively during the general election campaign by Tory leader Edward Heath to castigate the workers. Typical was the following, taken from a speech he made in Bexley, on March 12:

> Even more critical for the future is that in the first year of this Labour Government earnings rose by 9 per cent, prices rose by 5 per cent, while productivity increased by only 1 per cent. 9.5.1.: it just can't be done.

Three digits to express the oldest Tory case in history—that the workers are not producing enough, and are being paid too much for the privilege of being allowed to work at all. But it remains the fact that they have not been directly challenged by the Labour spokesmen, nor are they so different from the underlying arguments used by Messrs. Wilson, Brown, and Gunter, in putting their case for a $3\frac{1}{2}$ per cent pay curb and their 'early warning system'. But what do the figures add up to?

Mr. Heath based his 9 per cent increase in earnings not on wage rates, (who has had a nine per cent increase in the basic rate in the past 18 months?) nor on average weekly earnings statistics, but on rises calculated to have taken place in *hourly earnings*. The figure is arrived at by dividing weekly earnings by hours worked—and it is therefore inflated by agreements reducing working hours, where compensatory increases are negotiated to keep weekly rates level as basic hours fall. The recent period has seen a number of these, but they are likely to be a declining factor in the future. Part of the 9 per cent figure is accounted for by such agreements. The Treasury's *Economic Report for 1965* recently suggested that between October 1964 and October 1965 (Mr. Heath's selected period) it was about 2.3 per cent. Increased earnings result, insofar as actual hours worked do not fall, and more overtime is worked. This comes about for two reasons: first, because the employers find it profitable, and second because people need the added overtime in order to make ends meet. But in the process the 'hourly earnings' figure is inflated, and a greater proportion of people's pay packets is subject to overtime —one of the more insecure forms of income.

However, had Mr. Heath not been looking merely for the highest figure possible to make his electoral appeal, he might have used what is perhaps a more reliable guide, also given by the Treasury document. On page 24 it stated the following:

> The total wage and salary bill rose by 7 per cent between the second halves of 1964 and 1965. This total reflects changes in employment as well as in average earnings. Wages and salaries per head rose by around 6 per cent.

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This puts a somewhat different complexion on matters. And it is based on overall figures available to the Treasury, unlike Mr. Heath's hourly figure which is derived from Ministry of Labour sampling inquiries. One could argue that Mr. Heath's figure approximates to the Opinion Poll, whereas the Treasury one is nearer to the actual election result.

Mr. Heath then produced his 5 per cent increase in prices, in order to end up with a rise in 'real' earnings of 4 per cent. The Treasury gives a $4\frac{1}{2}$ per cent increase in prices (fourth quarter 1965 compared with a year earlier). If we take even this lower figure, together with the 6 per cent rise in wages and salaries, we are left with a 'real' increase of far slimmer proportions, amounting to $1\frac{1}{2}$ per cent. But this has to be pared down a little further still, for the total wage and salary bill is struck before taxation and insurance contributions—both of which were increased by the Government in April, 1965. The point here is that the Cost of Living Index takes no account of increases in either direct taxation or National Insurance Contributions. Income tax was put up by 6d. in the £ (£122 million a year) and the insurance stamps by 2s. a week. And while the tax rise can at least be said to have a progressive element to it, the insurance increase is a straight poll-tax, hitting the lower paid increasingly hard.

What, then, are we left with? We have a slight but indeterminate increase indicated, on the basis of which both dominant parties seek to make out a case for pay-freezes and anti-trade union legislation. In fact, even this result is extremely doubtful, for the Cost of Living Index has built-in defects which makes its reliability doubtful within such limits (consider only its failure to take account of the constantly decreasing durability of commodities).

Lastly, Mr. Heath added his figure for productivity, producing the sum which he said 'can't be done' because the people were getting too much for producing too little. It is true that productivity in Britain increases at an impoverished rate. Mr. Heath's 1 per cent has been challenged as being too low, but even so no records are being broken. The question is: whose fault is that? It is one thing for the Tories (or Labour right-wingers for that matter) to blame the workers, but the exhortation to 'work harder', work longer hours and not to increase holidays is as ludicrous as a means of getting higher productivity as it is reactionary. The point is that increased output per worker rests on the organisation of industry, the capital investment in more modern plant and machinery, and an increased market

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based on higher spending power. British finance-capitalists have traditionally preferred to put their surplus wealth where it will return them the greatest percentage—i.e. in the colonial and neo-colonial spheres. Unilevers recently disclosed that they had put £17,900,000 of fresh capital into their overseas investments since 1949, but had drawn back £93,900,000 in profits. In addition, the book value of their investments rose from £62,500,000 to £146,400,000. 'As far as we are concerned', chairman Lord Cole commented, 'it has not been an unprofitable showing.'

The politics of the current struggle for improved living standards for the people are basically the politics of monopoly capitalism and the fight to combat its effects. The fallacies involved in 'averages' as applied to earnings, and the drive by the monopolists to squeeze every last ounce from their workers, were shown up in an interesting commentary on the current situation made by Mr. Frank Cousins, Minister of Technology, early in the election campaign:

> In some industries the output per worker in the best firms is seven times what it is in the worst. Ratios of three, four or five to one between the best firms and the worst are common in important industries. There are few industries in which the best firms do not organise their production so as to get twice as much output per worker as the worst. (Cardiff, March 10.)

If we substitute 'monopoly' and 'others' for 'best' and 'worst' the position is clear. Such ratios help explain why the monopolies can afford higher wage rates as a means of competition with the smaller fry, and also the determination of the monopolies at all costs to hold on to their powerful, privileged and highly profitable positions.

But Mr. Heath's 9.5.1. sing-song tells us far more about Tory election methods than it does about the people's living standards, or the manner in which those are likely to move in the future if the ruling class has its way.

Let us look briefly at the question of hours of work—actual hours worked, not basic working weeks. In 1938, men worked on average 47.7 hours a week. This fell in 1948 to 46.5, but in 1954 it was above the pre-war level at 47.8. It has oscillated since then, but still stood last October at 47 hours. One indication that this figure—and not the much-struggled-for 40 hour week—is seen by the government as the 'norm', was given recently when the Prices and Incomes Board included overtime and rest-day earnings when it calculated railway pay for comparison with like industries. The 'age of automation' and its increased leisure has been given a back-seat. And so it was in Mr. Brown's so-called National Plan. For that was based on the hope

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and the calculation that there would be no significant reduction in hours worked. Dealing with manpower needs, it stated:

> Changes in the standard working week during the plan period do not seem likely to affect trends in hours worked very significantly compared with the past, provided there is no further round of reductions after the present move towards the 40 hour week for manual workers is completed (page 35).

And while the 'plan' foresees hours worked in the '70s as much the same as those in the '30s, a Progress Report from the Department of Economic Affairs last August went further. It stated that an increase in output of 25 per cent was needed between 1964 and 1970, and continued:

> The needed increase seems perfectly feasible in the light of past trends and in the light of other countries' achievements. *But there are, however, forces working in the other direction, such as a tendency to longer holidays and shorter hours* (emphasis added).

So far, therefore, from the 'plan' being designed to improve the people's lot, its designers regard those who work for such improvements as saboteurs.

There are, of course, numerous other indicators of living standards which must be taken into account in order to arrive at a rounded judgement—including working conditions, the whole range of (government controlled) social services, plus transport, housing provision and other essentials.

From this point of view, the draft Five-Year Plan recently before the 23rd Congress of the Communist Party of the Soviet Union indicates the vast field over which expansion and improvement must be planned to ensure genuine advances in living standards. The difference between this and the pathetic, reactionary Heath formula, and the basically similar Wilson approach, is painfully clear. It is the difference between the socialist approach, which sees people as rounded individuals, and the Capitalist approach, which sees them as mere ciphers, valuable only in their role as the producers of surplus value.

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COUNCIL RENTS CRISIS

Tom Vernon

President, National Association of Tenants and Residents

LOCAL councils in a number of the London Boroughs and in many towns and rural districts throughout England and Wales have been raising their rents quite heavily and notably in the past twelve months. These rises are not claimed to be brought about by any significant increase in maintenance or management costs or to be justified by some alleged nationwide improvement in the real value of people's incomes. The usual defensive explanation puts the blame on 'debt charges'. Sometimes it is plainly stated that this refers to the financing of the most recently completed houses, but such is the fact whether admitted or not.

High interest rates have been ruling now for a number of years and it is puzzling to tenants with some knowledge of affairs why this latterly appears as if it were some new infliction upon the council. That is because the jargon phrase 'debt charges' is not unnaturally thought to refer just to interest. What it actually covers is the amount to be paid annually comprising interest and repayment of borrowed money. The rise in these debt charges is very much due to the higher annual instalments for loan repayment because of the bigger loans having to be taken up to meet the unceasing inflation in costs of construction and of land prices.

The incoming tenants cannot pay rents calculated on these higher costs (including high interest on that cost increase) and, additional to the State subsidy (on which more later) the councils have to find some supplementary subsidy. This can come from the rates. It can come from all the existing tenants by a rent rise and that is the most favoured device. However, some councils do both, though there is no permanent commitment to the rates contribution and this can be reduced or disappear at any time.

Though some councils make no contribution from the rate fund, many to no great degree and some quite heavily, and the overall national average is accordingly of limited significance, yet comparison of two years' averages indicates any general change and it can be seen from the following that rate subsidies have been rising generally.

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Rate Subsidies expressed as a percentage of State Subsidies

	1963/64	1964/65
County Boroughs	30	39
Boroughs	22	24
Urban Districts	18	22
Rural Districts	12	14

This rise is happening at a time when councils' total expenditure has been increasing and necessitating substantial rise in rates income. Amidst the growing crisis in municipal finances due to the inadequacy of the rating system itself, it is easy to understand why harassed councillors and aldermen seek to modify the rates rise by cutting into or eliminating the rates contribution to council housing. They can do this only by putting up their rents.

The effect of this kind of solution to two problems (rising housing costs and rising general expenditure) is illustrated in two cases of London Boroughs under Labour control where substantial rent increases have been imposed and in face of tenants' opposition. In Lambeth, for the year 1964/65, the rates subsidy was 106 per cent of the State subsidy and rent revenue 51 per cent of total housing revenue. In Islington, the figure was 116 per cent and rent revenue 50 per cent of total housing revenue. The rate subsidies make a striking comparison with the national average in the Table above. They are even more striking when compared with the situation in the Royal Borough of Kensington, where the rate subsidy was merely 23 per cent of the State subsidy and the rent revenue just over 70 per cent of total housing revenue.

Will the Labour Government's revised system for housing subsidy on future houses only, at least stop the need to make a levy on present tenants through higher rents to meet excessive cost of current housing? Certainly it must reduce the problem to a useful degree but it cannot be asserted as guaranteed to do so. Mr. Crossman's White Paper (Cmnd. 2838) entitled *The Housing Programme 1965 to 1970* makes it very clear that the new and higher subsidies are not calculated so to modify the effects of high construction and land costs as to permit truly economic rents, within the means of those who cannot afford to buy a house and for whom, accordingly, local councils are the designated providers of new homes. For Para. 41 of this White Paper contains such remarks as these:

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> If the extra subsidies now to be provided are to be used, as they should be, to relieve those with the greatest social need . . . subsidies should not be used wholly or even mainly to keep general rent levels low. Help for those who most need it can be given only if the subsidies are in large part used to provide rebates for tenants whose means are small.

This implies that a high proportion of tenants of these future houses can afford to pay rents based on current cost without benefit of any subsidy; indeed, might well be able to buy a house and be unlikely to remain in the slow-moving Waiting List. The quoted White Paper remarks seem to me to be based on a very muddled delusion. If so, very few tenants indeed will be able to afford unsubsidised rents, so that the new State subsidy will prove to be insufficient and will have to be supplemented along the same lines (higher rents for everyone and/or more from the rates) as in the pre-Crossman era.

This possibility is one making the 1965 to 1970 perspective for present council tenants not a very bright one aside from the astonishing absence from the Government's policy, as set out in this White Paper, of any proposal whatever to mitigate the burdens cast upon councils, tenants and ratepayers by years of Conservative administration. The White Paper itself, in Para. 31, makes this frank appraisal of the situation inherited from the previous Government:

> Present rates of housing subsidies are inadequate even for the present rate of housebuilding. They were settled in 1961; and even then they had no relationship to the cost of building.

Mere verbal indictment of the wicked Tories unaccompanied by remedial action amounts to indifference to the human aspect of the inherited system. The indictment of past bad ways was further sharpened by the Prime Minister himself in a speech to 2,000 people at Bletchley on December 4, when he complained that the Conservatives 'have left us with . . . a shambles of a system of local authority finance'.

Is nothing to be done about this 'shambles'? Does Mr. Crossman recognise himself not to be the likely Hercules to cleanse these shambles? For the epithet 'shambles' is apt enough to indicate the need for a man of strenuous spirit to clear it up.

The available statistics on the housing facts concerning many hundreds of local authorities exhibit an almost fantastic extent of variation between all of them in respect of every aspect, but especially in regard to rents.

Amongst County Boroughs (1964/65) the lowest average of all

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rents for post-war 3-bedroom houses is one reporting the figure of 21s. 9d. a week; and the highest average reported is 51s. 9d. For Boroughs the range was from 20s. 10d. to 68s. 10d. For Urban Districts from 18s. 8d. to 51s. 3d. For Rural Districts 19s. 3d. to 50s. 4d. These being averages for all the houses of the particular authority responsible, there is an averaging out of exceptionally cheap or expensive houses and sites. No one believes there can be such differences in room sizes and all-round quality of 3-bedroom houses as would satisfactorily justify all the variations between the lowest and highest in the ranges quoted.

But the people who live in these houses do not, considered broadly, have any such variations in their incomes. Therefore, for most of the tenants in houses at the upper end of the range the rents must be very burdensome.

If the statutory obligation to make a minimum rate subsidy were revived the disparity between lowest and highest would be reduced. But the Government has no intention of doing this. It is my own firm impression, based on excellent grounds, that nothing is intended to be done to clear up 'the shambles' the Government has inherited. It is retained as an heirloom!

Yet, if a system of fair rents can confidently be introduced for private landlord houses, why not for council houses? Is it not evident that Council rents should present some logical pattern, some basis related to what is reasonable in relation to the age, condition, size and location of a house? Rents should be based on objective factors including tenants' capacity in general terms for meeting rents. In the present 'shambles' and as it will continue, rents reflect the bookkeeping arithmetic of treasurers to keep the Housing Revenue Account 'out of the red' without regard to much else.

Over many years tenants in local struggle have fought splendidly to get fair treatment. Magnificent courage has been shown as, for example, in St. Pancras. Tenants have painfully collected funds to carry their case to the High Court on several occasions. It must be sadly acknowledged, however, that results have largely been disappointing. The Councils have proved too strong. Their strength comes from the law itself, from the policy of Parliament and the Ministry, from their reliance on a majority opinion moulded by endless misrepresentation to look without sympathy at council tenants' troubles. The big failure has been that of progressive types of councils who have unprotestingly operated Whitehall policies under Whitehall conditions, and made no sustained fight, if any at all,

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alone or in combination with others, to force a change such as would ease their own financial problems and avoid the disagreeable decisions they have to make concerning their tenants.

Local councils should be the spearhead of the fight on behalf of present tenants and tenants of the future, of ratepayers and of the electors as a whole. That is what has now to be attempted and in the most serious way and, if necessary, over a long period.

Council tenants steadily grow from a small minority. They are something like a fifth of the electorate. They can dominate individual wards or constituencies in some places. Various surveys have shown that both manual and white collar workers on council estates support Labour (according to the Gallup Poll at the 1964 general election) by a margin of greater than three to one. The growing political strength has to be exerted, for the problem for Council tenants is a political one and will be settled in Parliament and nowhere else. The local 'bash at the Council', the marches and big meetings and so on help to get tenants into organised struggle and to focus public attention on the problems. Alongside this, pressure must be brought (as in former days by trade unionists upon Liberals) upon public representatives at all levels to clean up the 'shambles' and lay down a basis for a national system of fair rents.

LABOUR MONTHLY '40 YEARS AGO'

Nine months ago the workers and the capitalists of this country were on the very edge of conflict. The crisis was postponed; but . . . everyone knew that the nine months' postponement was the period given to each side to make its preparations. . . . In sector after sector of the class-war front, the employers, the government and all the spiritual and material auxiliaries, from the Press and the pulpit to the strike breaking organisations, both official and unofficial, feverish and unresting activity has brought almost complete preparedness. . . . On our side, on the other hand, the absence of preparations is the most noticeable thing. With unfailing, unfaltering belief in goodwill . . . give and take . . . common ideals of citizenship, the forces on our side have been left unmarshalled, unprepared. . . .

But the latent power of the working class to use the lesson of association and unity that they have learned in their daily lives in the factory, pit and workshop, to put it into practice in the form of a united defensive stand against the forces of capitalism, can spoil all the careful preparation of months . . . and out of a situation that appears desperate can easily snatch victory. But for this, every worker, every trade union branch, every workshop must make their will clear and unmistakable to their elected servants, the servants they have chosen, the trade union officials. So that these, feeling the pressure and strong determination of the masses, may be heartened and themselves strengthened in the responsibility they have, to defend at all costs the workers' standard of life.

(From 'Shooting Niagara' by R. Page Arnot, *Labour Monthly*, May, 1926.)

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BOOK REVIEW

Spanish Notebooks

Ivan Maisky

Hutchinson, 204 pp., 35s.

THIS BOOK, the fourth volume of the memoirs of Ivan Maisky, Soviet Ambassador to Britain from 1932 to 1943, is built round his experiences in the Non-Intervention Committee which functioned—if that verb is not too flattering a description of its long-drawn-out hypocrisies — from 1936 to 1939, and served to cover the infamies of what was in truth the overture to the second world war, composed by the two major Fascist powers, Germany and Italy, and performed by their armies and air forces on the Spanish stage.

Maisky combines neatly and very readably the accounts of his own personal experiences on the Committee with the history of the general political and military developments of that period. To those of us who are old enough to have lived through the Spanish War, it brings striking confirmation of all that we suspected was being carried through in the way of Fascist aggression, bad faith, brutality, and blackmail of willingly blackmailable capitalist powers such as Britain and France, obsessed by blind hatred of Communism and of the Soviet Union. It confirms all that was being accepted, borne, indeed encouraged, by our Tory government as a sort of deadly rehearsal of Munich and of 1939, and of all that was being destroyed and betrayed by the 'neutrality' of the Labour Party in face of a rebellion of Fascist against the legitimate and progressive government and people of Spain. To those who are not so old, the book is equally important as a lesson, fresh in its horror, of the evils of Fascists, Tories, and Social Democrats.

So much for the essence and design of the book; but there is much more in it that is worth mention and study. There is some happy light relief in Maisky's pen-pictures of the Committee's *dramatis personae*—if, once again, it is not too flattering to call them persons; there are vivid lessons of the value of a Marxist approach to political problems and of a good Communist Party; there is one example after another of the great effect of public opinion on even the most arrogant of Fascists; and there is the painful, if partly reassuring, demonstration that, at one stage of the war after another, the Spanish people, in spite of the shortage of material, were in a position to win the war, only to be frustrated every time by a new wave of Fascist armies sent in under the nose of the British government, and indeed under the nose of the Non-Intervention Committee, if it can be credited with having organs.

Everyone should read this book; in particular, the writer of the leading article in *The Times*, February 28, 1966, who expressed surprise at Maisky's belief 'that Britain and France were siding with Hitler's Germany and Mussolini's Italy', and thought that he should have been 'less suspicious of Britain and France', should read it again.

The translation is almost perfect; the lay-out is attractive, and there are very few misprints.

D. N. PRITT.

Sir Compton Mackenzie's Review of Last Memoirs of William Gallacher will appear next month.

CORRECTION: On page 130 of the March issue, for 'There is no need to' read 'You cannot hope to'.

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PROUD RECORD

FAMILIAR as we are with the warm-hearted response of our readers, we were still overwhelmed by the instant reaction to our brief initial announcement of *LM*'s 45th Anniversary in June.

A day after publication, there were already dozens of gifts in reply to our appeal for special donations to celebrate this occasion and they have been arriving from all over the world ever since.

Thoughtful tributes speak of the honest integrity always associated with *LM* and the steadfast socialist course it has pursued for 45 years. This letter from a foundation reader echoes the sentiments of many others: 'I read the first *LM* as a lad of 17, when progressive ideas were new to me and I was feeling the way. Now I refer to *LM* whenever I want an authoritative opinion on any issue of the day and so far you've never failed me.' A reader since 1937 writes: 'RPD and those who have assisted him over these troubled years have certainly lit a beacon for me that continues to shine undimmed —May its light never grow less!'

A student sends a gift because 'I want to make sure you're still here when *I'm* 45'. You can count on that!

We look forward with pleasure to greeting all friends at our Birthday reception on June 30, when we can thank them personally for the unswerving support that has helped to make this 45th Anniversary possible.

Helen Falber.

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